

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Request for Review of a Decision of the)	Administrator Correspondence Dated
Universal Service Administrative Co. for)	March 2, 2015
Santa Ana Unified School District)	
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

**ADDENDUM TO REQUEST FOR REVIEW OF DECISION OF THE UNIVERSAL SERVICE
ADMINISTRATION COMPANY, SCHOOLS AND LIBRARIES DIVISION BY SANTA ANA
UNIFIED DISTRICT, OR IN THE ALTERNATIVE, REQUEST FOR A WAIVER OF SECTION
54.511(a) OF THE COMMISSION'S RULES**

Appellant/Organization Name	Santa Ana Unified School District
Funding Year	2014
Entity Number	143778
FCC Form 471 Number	936307
Funding Request Number	2593569

This is an addendum to the Appeal and Request for Waiver filed by Santa Ana Unified School District ("SAUSD" or "Applicant") on September 26, 2014 and posted to the ECFS website on September 30, 2014. The Applicant is asking for the Federal Communications Commission's ("FCC" or "Commission") review of a decision of the Schools and Libraries Division of the Universal Service Administrative Company ("USAC" or "Administrator")¹. This decision is a denial of the funding request number 2593569 for the second year of the contract for service and USAC's basis of denial is the same as that of the first contracted year funding request 2442913.

The statements set forth by the Applicant in the appeal for funding request 2442913 are unchanged for funding request 2593569. The applicant requests that the Commission, in its review of the previously submitted Appeal and Request for Waiver, also include funding request 2593569, as the second year funding request under the same contract, in its decision on the previously submitted Appeal and Request for Waiver.

We appreciate your consideration of our request and anxiously await your decision. Any additional questions, concerns or request for additional documentation related to this appeal should be directed to:

Cathy Benham
CSM Consulting, Inc.
cbenham@csmcentral.com
909-944-7798

Most Sincerely,



Cathy Benham
Director of Consulting Services
3130-C Inland Empire Blvd.
Ontario, CA 91764

¹ March 02, 2015 Administrator's Decision on Appeal – Funding Year 2014-2015



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2014-2015

March 02, 2015

Cathy Benham
CSM Consulting, Inc.
3130-C Inland Empire Blvd.
Ontario, CA 91764

Re: Applicant Name: SANTA ANA UNIF SCHOOL DISTRICT
Billed Entity Number: 143778
Form 471 Application Number: 936307
Funding Request Number(s): 2593569
Your Correspondence Dated: January 03, 2015

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2014 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2593569
Decision on Appeal: **Denied**
Explanation:

- Documentation provided during the selective review demonstrates that the applicant violated the Commission's competitive bidding requirements by considering the price of eligible and ineligible products/services as the primary factor in its vendor selection process. FCC rules require applicants to carefully consider all submitted bids prior to entering into a contract, and to treat the price of eligible products and services as the primary factor in selecting the winning bid. Because you included the cost of ineligible products and services in the most heavily weighted factor, your evaluation was not in compliance with FCC rules and funding will be denied. In response to USAC's intent to deny letter, you provided a revised bid evaluation which was created in response to that letter. You explained that the cost of eligible goods and services totaling 30 possible points included indirect costs totaling 14 possible points that are not E-rate eligible such as man hours and equipment upgrade costs. In addition, you had an

additional factor, costs of ineligible goods and services totaling 5 possible points. However, applicants cannot create new documentation after the fact and must be able to demonstrate that the district was in compliance with the applicable rule at the time the application was filed. Because you were not in compliance with the FCC rule at the time of the filing of the application, funding is denied.

FCC rules require that applicants select the most cost-effective products and/or services offering with price being the primary factor. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. See 47 C.F.R. sec. 54.511(a); also, Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45, 97-21, Order, 18 FCC Rcd 26407, 26429, FCC 03-313 para. 50 (rel. Dec. 8, 2003). Ineligible products and services may not be factored into the cost-effective evaluation. See Common Carrier Bureau Reiterates Services Eligible for Discounts to Schools and Libraries, CC Docket No. 96-45, Public Notice, 13 FCC Rcd 16570, DA 98-1110 (rel. Jun. 11, 1998).

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

cc: Stefanie P. Phillips